

MEETING MINUTES
WATER QUALITY ASSURANCE REVOLVING FUND ADVISORY BOARD
Arizona Department of Environmental Quality, 1110 West Washington, Phoenix, AZ
February 25, 2005

Board Members in attendance:

Richard Bark	Karen Masbruch
Kelly Barr	Karen O'Regan
Bridget Bero	Manuel Ramirez
Frank Corkhill	Donald Richey
Karen Gaylord	Lee Stein
Tamara Huddleston	Jim Vieregg
Will Humble	Nicholas Wallwork
Rick Lavis	

Board Members Absent:

Lori Faeth	Steve Besich
Glinda Oakes	

Chairman Rick Lavis called the meeting to order at 9:10 a.m.

I. Welcome/Opening Comments/Administrative Issues-

- A. Chairman Lavis briefly discussed the 2005 Arizona Chamber of Commerce Economic Plan and indicated that the Chamber supported the WQARF program.
- B. Chairman Lavis announced that Dr. Bridget Bero has been approved by the Senate Natural Resources and Rural Affairs Committee to continue her term as a member of the WQARF Board.
- C. Chairman Lavis discussed the Arizona Department of Agriculture's interest in the pesticide fees that currently go to the WQARF program and explained that agricultural interests obtained the exclusion from liability for pesticides in exchange for the fees going into the WQARF program.
- D. Chairman Lavis indicated that Director Owens has written several letters and issued a press release in support of the WQARF program. The letters were written to the Joint Legislative Budget Committee and to the Governor's Office of Strategic Planning on November 15, 2004. The press release was issued on February 14, 2005. All three items addressed WQARF funding short falls. Chairman Lavis indicated that these items will be provided to the Board in the packets for the next meeting.

II. Approval of January 28, 2005, minutes – Ms. Karen O'Regan made a motion to adopt the draft January 28, 2005 as drafted and Mr. Lee Stein seconded the motion. The motion was passed unanimously.

- III. ADEQ Department Report-** Mr. Donald Richey presented an overview of the Department Report. Mr. Richey pointed out that the recent field work conducted for the remedial investigation at the 20th and Factor site in Yuma has revealed that the cyanide contamination remaining in the soil may pose a threat to groundwater based on the initial recommendation from ADEQ's contractor. He explained that this could lead to a very expensive early response action or remedy. Mr. Richey also explained that ADEQ removed one foot of contaminated soil as well as septic tanks and sumps as part of an early response action to address a potential health threat and left the remaining contaminated soil in place. Mr. Will Humble added that the Arizona Department of Health Services (ADHS) completed a health consultation for the site and concluded that the immediate health hazard has been mitigated.

Mr. Humble also discussed his involvement in preparing a health consultation for the Silver Creek Subdivision which is located next to the Silverbell Landfill WQARF site. Discussion ensued on the relationship of the Silver Creek Subdivision to the Silverbell Landfill WQARF site, the Kinder Morgan release, and whether any money collected from Kinder Morgan could go to WQARF instead of the General Fund. Mr. Richey indicated that the Kinder Morgan release and Consent Decree was not under WQARF and the penalties would go to the General Fund. However, ADEQ will look at future orders for the regulatory programs and evaluate whether supplemental environmental projects that benefit WQARF, such as sampling and cleanup for contamination, can be utilized.

ADWR Department Report – Mr. Frank Corkhill presented an overview of the Department Report. Mr. Corkhill discussed the well inventory for the Pinal Creek and West Van Buren sites and indicated that ADWR anticipates that the inventory for West Van Buren will take two to three months to complete. He also stated that ADWR is working with the Pinal Creek Group to come up with a process to modify well construction standards within the Pinal Creek WQARF site. Mr. Corkhill also indicated that the next meeting to discuss the well rules will be held on March 9, 2005 and a meeting to discuss poor water quality issues will take place in April 2005.

- IV. Special Issue -** No discussion

- V. Committee Reports -**

A. Budget and Finance Committee -

Review of 2006 Finances and Program - Mr. Nick Wallwork reported that the Governor's and JLBC's proposed FY 06 budget for WQARF is \$10 million from the Corporate Income Tax and \$1 million to come out of ADEQ's General Fund. He stated that this is the fourth straight year of reductions to the budget. Mr. Wallwork indicated that with fees and carry forward, the \$10 million from the corporate income tax will give WQARF a total budget of approximately \$14.5 million. Of that budget, \$5.4 million

will be available for sites. He stated that the Committee is finalizing a report that describes what work ADEQ will be able to conduct with the \$5.4 million for FY06, but it looks like \$1.7 million will go to operation and maintenance and some money will be available to fund one or two ERAs. Most other work will be at a stand still and no money will be available to fund any new sites. Mr. Wallwork stated that the next budget meeting is scheduled for March 21, 2005, at 10:00 a.m.

B. Legislative Committee -

1. Status of Dry Cleaner Legislation: Chairman Lavis presented Ms. Karen Gaylord with a Star Award for her outstanding work on the dry cleaner bill, and acknowledged her partner, Ronnie Hawks, for all of his work. Ms. Kelly Barr and Mr. Lee Stein also acknowledged all of the Board members involved for their work on the bill. Mr. Stein commented on the spirited negotiations of both sides and the considerable distance moved during the negotiations. However, he commented that we need to determine the funding that is absolutely necessary to run a dry cleaner program. Mr. Richey stated that one of the challenges in coming up with the funding needed is that the universe of dry cleaners is unknown and the universe of dry cleaners that actually had releases is unknown. He stated that the problem is compounded by the lack of funding to conduct preliminary investigations and that educated assumptions will need to be made.

Ms. Karen Masbruch suggested that funding might be available from EPA Brownfield funds to help the state in determining the dry cleaner inventory. Mr. Richey explained that ADEQ had requested 128(A) EPA grant funding for this purpose for FY06, but the 128(A) funding for next year has already been committed to other priorities. Ms. Shannon Davis stated that ADEQ will talk to EPA more about this.

Ms. Karen Masbruch made a motion requesting ADEQ to develop a scope of work to determine the inventory of historical and existing dry cleaners in Arizona as well as the time when they operated. The motion was passed unanimously.

2. Duplicate Reports – Mr. Richard Bark indicated that SB1419 was passed unanimously from the Senate Natural Resources and Rural Affairs Committee. SB 1419 eliminates duplicative annual report requirements.
3. 2006 Appropriations – Mr. Bark indicated that the Legislature has recommended that the WQARF program receive \$10 million for FY 06. The JLBC has also recommended the WQARF program receive funding for \$10 million with an additional \$1 million to be allocated to WQARF from the ADEQ's general fund.

4. Sunset Legislation – Mr. Bark indicated that SB1140 was heard by the Senate Natural Resources and Rural Affairs Committee Legislature on February 23, 2005. The Committee recommended another 5 years for ADEQ even though ADEQ was seeking 10 years and had a lot of support for 10 years. Chairman Lavis indicated that he provided support for 10 years.
5. DEQ "Accountability" Review – Mr. Bark indicated that the Government Accountability and Reform Committee has selected ADEQ as the agency they will be focusing on for this year.

C. Funding Priorities Committee - Ms. Gaylord provided background on the E & E model and the issue of EPA assistance in Arizona. She indicated that the Board drafted a letter to Governor Hull in 1999 which stated that WQARF has sufficient funds to deal with contaminated sites in Arizona. Ms. Gaylord stated that the Committee will discuss revisiting that position at the next meeting with reductions to the budget the last four years and with cost recovery significantly lower than was anticipated.

VI. Other Business - None

VII. Public Comment - Mr. Mike Block, with Metro Water in Tucson, invited the WQARF Board to use their facility in Tucson when they decide to hold a meeting in Tucson.

Mr. Jerry Worsham asked Mr. Will Humble to discuss the health consultation he was working on for the Silver Creek Subdivision in Tucson. Mr. Humble described the work that was conducted at the site and related that ADHS is currently reviewing the data and developing conclusions.

VIII. Adjournment – Ms. O'Regan made a motion to adjourn and Ms Masbruch seconded the motion. The motion passed unanimously and the meeting adjourned at 10:15 a.m.